

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7441

BILL NUMBER: SB 405

NOTE PREPARED: Mar 4, 2003

BILL AMENDED: Mar 3, 2003

SUBJECT: Motor Vehicle Documentation and Sales.

FIRST AUTHOR: Sen. Clark

FIRST SPONSOR: Rep. Mahern

BILL STATUS: As Passed - Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill: (1) requires a motor vehicle dealer, under certain circumstances, to furnish a valid certificate of title to a purchaser or transferee not more than 50 days after the date of sale or transfer; (2) requires an assembled vehicle to bear an identification number and requires certain information on its certificate of title; (3) requires permission from the Bureau of Motor Vehicles (BMV) to place a special identification number on a motor vehicle that does not bear its original or unaltered identification number; (4) requires a third party to deliver notification of satisfaction of a lien within 30 days of receipt of lien payment; (5) repeals language regarding procedure for an application to the BMV for a missing manufacturer's identification number on a motor vehicle; (6) requires an insurance company to apply to the BMV for a certificate of salvage title for certain salvaged or stolen vehicles; (7) provides that the BMV may not issue an offsite sale license to certain motor vehicle dealers; (8) makes it an unfair practice for a person to act as a broker in the advertising, buying, or selling of at least 12 new or used vehicles per year; (9) requires certain applications for a license to be a dealer or wholesale dealer of motor vehicles to be accompanied by a bond or renewal certificate for a bond to indemnify or reimburse a purchaser, seller, or financier for monetary loss caused by certain actions or inactions; and (10) makes conforming amendments.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) (8) *The bill makes it an unfair practice for a person to act as a broker in the advertising, buying, or selling of at least 12 new or used vehicles per year.* IC 9-23-6-4 provides for a civil penalty of not less than \$50 and not more than \$1,000 for each day of violation for each act of violation, as determined by the court. Civil penalties are deposited into the state General Fund. In addition, IC 9-23-6-1 provides for a Class B misdemeanor for violation of this article.

The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: (Revised) *Penalty Provision - Class B Misdemeanor:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

Explanation of Local Revenues: (Revised) *Penalty Provision - Class B Misdemeanor:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: James Sperlik, 317-232-9866.